EXTENSIONS OF REMARKS

AN APPEAL TO PRESERVE THE U.S. BUREAU OF MINES

SPEECH OF

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OF MINNESOTA

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Mr. OBERSTAR. Mr. Speaker, minerals are the building blocks of modern industrial society. Americans consume 75 percent of the world's entire minerals production: four billion tons a year—that's 20 tons per capita, the highest per capita mineral consumption of any country in the world.

Yet, our domestic self-sufficiency in minerals has deteriorated over the last decade and a half, as the mining industry has, increasingly, turned to ore deposits that are leaner, deeper and more costly than those of the past.

Minerals exploration has declined in America; new mine development has dropped; and, smelting and refining of American ores have regressed. Yet, mineral demand has increased and will continue to grow. Last year, our output of raw, nonfuel minerals was estimated at $34 billion—a value growth of about 6 percent over 1993.

In 1974, the year I was elected to Congress, the value of both raw and processed minerals imported into the United States was $9 billion. Three years later, when former Congressman Jim Santini and I organized the Congressional Minerals Caucus, we pointed out, in a White House meeting with then-President Carter, that mineral imports had jumped to $21 billion.

Today we import $44 billion in nonfuel minerals and we have a $17 billion deficit in minerals trade.

More alarming than the trade deficit figures, is the fact that of the 44 strategically important minerals, the United States imports 25 of them to the extent of more than 50 percent of domestic needs: 100 percent of our manganese, 79 percent of our cobalt, and 66 percent of our nickel—all of which, incidentally, are vitally important to steelmaking.

Moreover, for a wide range of strategic and critical minerals, we are dependent upon countries with a history of social and political instability, making the United States vulnerable to events over which we have little influence or control.

These are sobering facts for this $360 billion industry, which employs almost 2 million workers and provides a more than $4.5 billion payroll.

We, in Minnesota, know how crucial minerals are to the economic strength of the Nation and to our national security—we have supplied the iron ore for the domestic steel industry to carry America through two World Wars, Korea, Vietnam, and other military actions of this century—nearly 4 billion tons of iron ore.

Our mining industry must have the most efficient extraction, processing, and refining technologies possible to lower the minerals trade deficit, and without the Bureau of Mines and a coherent national minerals policy our economy will be hurt, and we will be limited in our ability to compete in the global marketplace.

We northern Minnesotans also know that research has been the key to keeping our iron ore mining industry competitive. For us, that has meant the University of Minnesota School of Mines and brilliant researchers, lie Dr. E.W. Davis, the father of taconite, and the Twin Cities Research Center of the U.S. Bureau of Mines. The Taconite Enhancement Committee that I founded 3 years ago has worked hard to combine the School of Mines, the U.S. Bureau of Mines, the Natural Resources Research Institute, and private sector engineering and research capabilities into a coherent, cohesive effort to keep the mining and processing of Minnesota ores ahead of the state-of-the-art and to keep our region economically competitive.

The House Appropriations Committee's action to abolish the U.S. Bureau of Mines will be a very serious blow to our future competitiveness. Should this nefarious proposal succeed, it will eliminate a program that has created more jobs and generated more tax revenue every year than any other governmental initiative on behalf of the mining, minerals, and metal industry.

The Bureau has a long tradition of innovation that has advanced the state of the art of mining and minerals processing, creating new industries, revitalizing old ones, and in some cases saving industries that have been threatened with extinction due to economic or regulatory constraints.

I am going to mention just a few of the Bureau's contributions, beginning with the Tilden Mine operation in the Upper Peninsula, Michigan. The Bureau developed a process called selective floatation to treat the low-grade ores now being mined at Tilden during a 10-year research project whose investment totaled $2.5 million—from 1961–1971. During the subsequent 21 years that the Tilden has been operating, over 98 million gross tons of high-grade iron ore pellets have been produced with a value of over $3 billion. Total production taxes generated over this time period were approximately $85 million. In 1994, production at the Tilden Mine was 6.1 million gross tons which represents approximately 11 percent of America's 56.7 million gross tons of iron oxide pellets and well over 800 employees are currently employed. That is an impressive return on investment—a very modest investment, at that.

GOLD AND SILVER MINING TECHNOLOGY

Gold and silver mining in this country was in rapid decline until the Bureau developed advanced technologies which reversed that trend. The Bureau's contribution in these technologies over the last 10 years is approximately $9 million. In 1993 there were 68 active heap-leaching operations in Nevada alone, using Bureau technology. The gold mining in Nevada contributes $2.7 billion to the economy. Only South Africa and Russia produce more gold than the State of Nevada. Considering the nature of the Nevada gold deposits, without Bureau technology, the industry would likely be only 20 percent of the current output.

REACTIVE METALS INDUSTRY

The Bureau's $10 million investment developed the Kroll Process and the consumable-electrode, arc melting process which are used to extract titanium and zirconium. Titanium is used in making jet engines and zirconium is an essential component in nuclear reactors. Without the developments of these processes, we would lose over $140 million in annual production, and our aviation industry would be dependent on foreign mineral resources and our nuclear power plants would be much less safe.

MANGANESE

Here, in Minnesota, the Bureau has been vigorously involved over the past 8 years in a research project now reaching fruition to extract the more than 2 billion pounds of manganese reserves on the Cuyuna Range and to produce an economically competitive product, the mining and processing of which can restore jobs and renew economic vitality on the Cuyuna Range.

The Bureau of Mines has already taken its fair share of funding reductions and they are already going through a reorganization and downsizing which can be felt throughout the mining industry—facilities in Denver, Reno, Anchorage, and Spokane will be closed, the Mineral Institutes program, which supports minerals research at 32 universities, will be eliminated, and administrative and informational offices across the country will be streamlined.

The Bureau of Mines continues to succeed in its mission to help ensure that the Nation has an adequate and dependable supply of minerals and materials for national security and economic growth at acceptable economic, human, and environmental costs.

We need national research centers for the development of minerals technologies and we need a national minerals policy, and I am afraid that without a coordinating agency, like the Bureau, to work in cooperation with industry, communities which depend economically on mining will drastically suffer.

I deplore the action to terminate the Bureau of Mines, in an appropriation bill—without debate or opportunity to amend that provision. I urge the Senate to restore viable funding for the Bureau, and I further urge the House conferees to recede to the Senate on this point, and preserve this small, highly productive agency.